

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 04040 200654Z

21

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 H-02 L-03 /046 W

----- 109100

R 200451Z JUN 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 5991

LIMITED OFFICIAL USE CANBERRA 4040

PASS: AGRICULTURE FOR HURT

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: SUGAR HEARINGS INFORMATION

REF: STATE 141876

1. MOST OF THE INFORMATION REQUESTED REFTEL IS AVAILABLE IN PREVIOUS REPORTS FROM THIS POST. HOWEVER, THE FOLLOWING INFORMATION WILL SUPPLEMENT AND CLARIFY SOME OF THE PREVIOUSLY REPORTED INFORMATION.

2. A - COST OF PRODUCTION

THE AUSTRALIAN SUGAR INDUSTRY HAS A STRICT POLICY AGAINST SUPPLYING ANY INFORMATION CONCERNING THE COST OF PRODUCING RAW SUGAR. THE 1973/74 SUGAR CROP, WHICH WAS CONSIDERED TO BE A LOW PROFIT YEAR, MIGHT SERVE AS A USEFUL GUIDE TO COSTS. THE AVERAGE RETURNS FROM RAW SUGAR IN 1973/74 WERE \$A130.38 PER MT. THE PROCEEDS ARE SHARED BETWEEN THE MILLS AND THE CANE GROWERS THROUGH A COMPLICATED FORMULA. THIS WORKS OUT TO A TOTAL COST OF PRODUCTION (ASSUMING COSTS ABOUT EQUAL TO PROCEEDS INCLUDING A FAIR RETURN TO CAPITAL) FOR RAW SUGAR OF 7.9 US CENTS PER POUND. IF THE 1974/75

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 04040 200654Z

ESTIMATED PROCEEDS OF \$A260 PER MET ARE USED, THE COST BASIS

WOULD JUMP TO 15.8 US CENTS PER POUND; HOWEVER, 1974/75 MUST BE REGARDED AS A HIGH PROFIT YEAR. WITH STEADILY RISING COSTS, AGATTACHE FEELS REASONABLE ESTIMATE OF COST WOULD BE AROUND 10 TO 12 U.S. CENTS PER POUND. NO CONFIRMATION OF ESTIMATE AVAILABLE FROM INDUSTRY, SO FIGURE SHOULD BE TREATED ACCORDINGLY. (SEE AL5040 WHICH WAS A SPECIAL REPORT ON COSTS).

3. B. CURRENT RETAIL PRICE OF SUGAR VARIES FROM 17.0 TO 18.7 US CENTS PER POUND, DEPENDING ON THE STORE.

4. C. THE UNIT VALUE OF AUSTRALIAN BULK RAW SUGAR EXPORTED IN CY 1974 ACCORDING TO BUREAU OF STATISTICS FIGURES WAS 17.0 U.S. CENTS PER POUND.

5. D. RAW SUGAR PRODUCTION AND EXPORTS (MIL. MT):

	1974/75 (PRELM.)	1979/80 (ESTIMATED)
PRODUCTION -	2.85	3.30
EXPORTS -	2.03	2.40

SOURCE: BAE AND AGATTACHE. OUR ESTIMATES FOR 1979/80 ASSUMES A 15 PERCENT INCREASE IN PRODUCTION WHICH APPEARS CONSISTENT WITH CURRENT INDUSTRY PLANS.

6. E. SEE AL 5001 AND AL 5040 FOR FULL REPORT. NO MORE INFORMATION AVAILABLE.

7. F. DOMESTIC SUGAR CONSUMPTION HAS BEEN RISING AT A AVERAGE ANNUAL RATE OF 2.2 PERCENT. CONSUMPTION IN 1974/75 ROSE AN ESTIMATED 3.8 PERCENT. AN INCREASE OF 2 TO 3 PERCENT PER YEAR IN THE FUTURE SEEMS ABOUT RIGHT.

8. G. LONG-TERM AGREEMENTS FOR SUGAR FULLY REPORTED IN AL 5009. NOTHING NEW SINCE THEN.

9. H. THERE IS NO FEDERAL STATUTORY BODY CONCERNED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 04040 200654Z

WITH SUGAR MARKETING IN AUSTRALIA. THE QUEENSLAND GOVERNMENT (THROUGH ITS AGENT THE SUGAR BOARD) ACQUIRES ALL RAW SUGAR PRODUCED IN AUSTRALIA. NEW SUGAR AGREEMENT FOR SALES ON DOMESTIC MARKET REPORTED IN AL5044. THE COLONIAL SUGAR REFINING CO. IS THE SOLE EXPORT AGENT FOR AUSTRALIAN SUGAR UNDER AGREEMENT WITH THE QUEENSLAND GOVERNMENT AND THE SUGAR BOARD. PRICING OF AUSTRALIAN SUGAR IN EXPORT

MARKETS IS SUBJECT TO PROVISIONS NEGOTIATED IN
LONG-TERM SUPPLY CONTRACTS AND FREE WORLD MARKET
PRICES.

COMMENTS: - THE 1975/76 SUGAR HARVEST HAS STARTED
AND IT APPEARS THAT IT WILL BE BETTER THAN LAST
YEARS RECORD CROP. REPORTS FROM QUEENSLAND ARE
THAT THE CANE FIELDS HAVE NEVER LOOKED BETTER.
CROP OF 3.0 MILLION MT OF RAW SUGAR COULD EASILY
BE ACHIEVED. PRODUCTION IS SCHEDULED TO BE INCREASED
10 PERCENT FOR THE 1976/77 CROP, WITH FURTHER
INCREASES THERE-AFTER DEPENDING ON WORLD MARKET NEEDS.
GREEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, TRADE LAW, DATA, US CONGRESSIONAL HEARINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CANBER04040
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750215-0265
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750627/aaaaayhq.tel
Line Count: 128
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 141876
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2003 by ShawDG>; APPROVED <09 JUL 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUGAR HEARINGS INFORMATION
TAGS: ETRD, EAGR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006